IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

THURSDAY, THE SIXTEENTH DAY OF SEPTEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE S.ANANDA REDDY

WRIT PETITION NO : 4016 of 1997

Between:

B.Venu S/o.Sri B.L.Perumallu
R/O.10, Venu Apartments 61, Vijayanagar Palace Lay Out
Lawsons Bay Colony, Visakhapatnam-530 017

..... PETITIONER

AND

1 Rashtriya Ispat Nigam Limited, Visakha Steel Plant
Visakhapatnam-530 031

rep. by its Chairman & Managing Director
2 General Manager (Personnel), Rashtriya Ispat Nigam Limited,
Visakhapatnam Steel Plant, Visakhapatnam-530 031

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a writ of mandamus or any other appropriate writ, order or directions, directing the respondents herein to pay the petitioner the amounts towards gratuity and encashment of leave (Earned Leave and half pay leave) with interest thereon at 12% per annum from 1-9-1996 till payment *duly declaring the departmental enquiry proceedings held in pursuance of the charge sheet dt. 19.08.1996 issued to the petitioner are illegal, void and unenforceable.

*** Prayer amended as per orders passed in W.P.M.P.No.30813 of 1997 dated 16.09.2004**

Counsel for the Petitioner: MR.G.RAMACHANDRA RAO

Counsel for the Respondents : MR.V.RAVINDER RAO

The Court made the following ORDER:

This writ petition is filed by the petitioner seeking to issue a writ of *Mandamus* directing the first respondent to release the gratuity and leave encashment salary with interest @ 12% per annum from 1996 till the date of payment.

According to the petitioner, he is an ex-employee of the first respondent-Company. He worked as a Manager, Administration (Foreigners Establishment) of the first respondent-Company and retired from service on 31.08.1996. But, before his retirement, a charge sheet was issued against him for certain alleged irregularities, to which the petitioner filed his explanation on 30.08.1996. Thereafter, the petitioner was permitted to retire from service on 31.08.1996. Later, the petitioner was informed *vide* letter dated 31.08.1996 that an Enquiry Officer was being appointed to enquire into the charges levelled against him and the Enquiry Officer, after conducting enquiry, submitted his report on 30.10.1996, which was served on the petitioner on 21.11.1996, to which, the petitioner filed his objections on 03.12.1996. It is stated that though the petitioner is entitled for payment of gratuity as well as leave encashment salary by the date of his retirement, it was not paid to him on the date of retirement and even as on the date of filing of the writ petition. However, it is stated that during the pendency of the writ petition, the first respondent has paid an amount of Rs.1,20,731.90 by cheque dated 12.01.1998 towards leave encashment salary and a further sum of Rs.63,924.15 by cheque dated 20.03.1988 towards gratuity. It is stated that though the petitioner filed his objections to the report of the Enquiry Officer, nothing was heard from the first respondent –Company. But, the payment of terminal benefits, as stated above, was delayed for more than 1½ year. Therefore, the petitioner is entitled for interest, which he claimed at 12% from the date of retirement till the date of payment. Hence, this writ petition.

The respondents field counter-affidavit raising various allegations, which are not

necessary to go into at this stage.

At the time of hearing, the learned counsel for the first respondent contended that if the petitioner had received the amounts paid by the first respondent in full settlement, he is not entitled for the relief of interest as claimed. As there are no instructions from the petitioner, the learned counsel for the petitioner sought for some more time. It is contended on behalf of the respondents that as the amounts have already been paid by the respondents, even before any orders are passed, the petitioner is not entitled for the relief.

Heard both sides and considered the material available on record.

Though the petitioner sought for a direction to the first respondent for payment of gratuity and leave encashment salary, those amounts have already been paid in the months of January and March 1998. The issue is with reference to the interest claimed by the petitioner. Admittedly, there was delay in payment of the above two amounts from the date of retirement or at least immediately thereafter. As the petitioner was denied and deprived of the amounts, which he is entitled to lawfully, the petitioner is certainly entitled for the interest, as claimed.

Accordingly, the writ petition is disposed of directing the first respondent to pay interest as claimed from 01.09.1996 till 12.01.1998 in respect of the leave encashment salary of Rs.1,20,731.90 and upto 20.03.1998 in respect of the gratuity amount of Rs.63,924.15, on which dates the cheques sent by the first respondent were received by the petitioner. The interest so directed shall be paid within a period of six weeks from the date of receipt of a copy of this order.

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S.Ananda Reddy, J

Date:16.09.2004

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To

1 The Chairman & Managing Director,
Rashtriya Ispat Nigam Limited, Visakha Steel Plant
Visakhapatnam-530 031

2 The General Manager (Personnel),
Rashtriya Ispat Nigam Limited, Visakhapatnam Steel Plant,
Visakhapatnam-530 031

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